



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and
Substance Abuse Services**

Resource/Regulatory Management Section • Accountability Team

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Michael Moseley, Director

August 13, 2007

RESPONSE REQUIRED BY EOB, FRIDAY, AUG. 24, 2007

Memorandum

TO: LME Directors

FROM: Jim Jarrard, Accountability Team Leader
DMH/DD/SAS, Resource & Regulatory Management Section

SUBJECT: 2007 Medicaid Audits for CAP-MR/DD Medicaid Waiver, New Medicaid Services, and monitoring of Substance Abuse Federal Block Grant

Between September 5 and November 1, 2007, the NC Division of MH/DD/SAS will conduct Medicaid audits of CAP-MR/DD Medicaid Waiver, new Medicaid services and Targeted Case Management, as well as conduct LME compliance monitoring for a variety of elements related to federally funded Substance Abuse Programs. The specific areas of the Federal SA Block Grant that will be monitored for each LME are indicated on the Block Grant Grid at the end of this letter.

The reviews/audits will take place at eight (8) locations across the State. The sites and dates of review for the LME Block Grant monitoring as well as for each directly enrolled Medicaid Waiver, new Medicaid service provider and targeted case management provider can be found on the 2007 Audit Schedule, and alphabetical listing of providers posted on the DMH/DD/SAS website. Please note that LMEs that have been providing services may be on the list for a Medicaid audit. Full information on the Medicaid audits will be posted on the web and also mailed under separate cover.

Please keep this letter throughout the audit process for reference purposes.

Note: All documents required for preparation for this audit/monitoring event are posted on the DMH/DD/SAS website:

<http://www.ncdhhs.gov/mhddsas/>

The audit/monitoring components are listed below:

I. Medicaid Waiver (CAP-MR/DD). The directly enrolled CAP-MR/DD providers chosen for audit will receive individual letters detailing the schedule and audit requirements. This letter and list of providers is posted on the DMH/DD/SAS website.

II. New Medicaid Services. The directly enrolled new Medicaid service providers and targeted case management providers chosen for audit will receive individual letters detailing the schedule and audit requirements. This letter and list of providers is posted on the DMH/DD/SAS website.

III. Substance Abuse Federal Block Grant Monitoring Process:

- **SAMPLES:** Each LME will need to submit specific information from which the Accountability Team will draw a sample for most of the Block Grant reviews. The specific information needed is listed below next to the title of each review. **All information must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net.** The password to use for this email will be sent to each LME Director and LME Audit Contact Person by email. Please use the password that we provide.
- **STAFF PARTICIPATION:** It is required that the LME ensure that the responsible contract providers and/or LME staff bring the designated service records and program component information to the monitoring site. Staff persons who are familiar with agency records for all areas of monitoring must be available during the monitoring process.
- **SPECIFIC LME REVIEWS:** The specific areas of the federally funded substance abuse programs that will be monitored for each LME are shown on the Block Grant Grid at the end of this letter. In some instances, the names of contracted providers are also included on the grid.

Following is a listing of each area of the Federal Substance Abuse Prevention and Treatment Block Grant to be monitored. The list includes the specific requirements needing immediate submission of data as well as brief comments about each item. The monitoring tools and instructions are posted on the web.

- **CASAWORKS Program Review:** Review for the 2006-2007 fiscal year will include the seven (7) participating LMEs and also the one (1) private program located in Johnston County. The LMEs for **all providers of the CASAWORKS Program who received funding between July 1, 2006 – June 30, 2007** must ensure that sufficient documentation to adequately respond to the questions on the CASAWORKS Program tool is present at the review site.
- **CASAWORKS Individual Review:** Review for the 2006-2007 fiscal year will include the seven (7) participating LMEs and also the one (1) private program located in Johnston County.
 - The LMEs for all providers of the CASAWORKS Program that received funding from July 1, 2006 – June 30, 2007 must submit a list of all women active in the CASAWORKS program during that time. This list must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.

- The audit team will randomly choose up to ten (10) records for review, and send that information back to the LME at least 1 week prior to the review date.
- **MAJORS:** Review for the 2006-2007 fiscal year will include the 18 participating LMEs indicated on the Block Grant Grid at the end of this letter.
 - The LME must submit the name of each MAJORS provider and a list of enrolled participants from each provider who has received services from July 1, 2006 – June 30, 2007. This list must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.
 - The audit team will randomly choose up to five records for review, and send that information back to the LME at least 1 week prior to the review date.
- **SAFE AND DRUG FREE SCHOOLS Individual Review:** Providers for this review are listed on the Block Grant Grid at the end of this letter.
 - The LME must submit a list of participants receiving services under the Safe and Drug Free Schools Program from July 1, 2006 – June 30, 2007 for each provider indicated on the grid.
 - Since these lists could be extensive, include no more than 40 names of participants. If there are fewer than 40 participants in an LME, submit the entire list. This list must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.
 - The audit team will randomly choose a total of 15 records to review and send that information back to the LME at least 1 week prior to the review date.
- **SAFE AND DRUG FREE SCHOOLS Program Review:** The LME must ensure that each provider listed on the Block Grant Grid at the end of this letter brings sufficient documentation to adequately respond to the questions on the Safe and Drug Free Schools Program Review tool.
- **SAPTBG Prevention Program:** Monitoring for all LMEs will occur for fiscal year 2006-2007.
 - The LME must provide a list of all providers who received funds to implement the Prevention aspect of the SAPTBG. This list must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.
 - The LME must ensure that all providers bring sufficient documentation to adequately respond to the questions on the SAPTBG Prevention Program tool.
- **SAPTBG Treatment Program for women who are pregnant and/or have dependent children:** Monitoring for all LMEs will occur for fiscal year 2006-2007.
 - The LME must submit a list of all providers who received funds to implement this Treatment aspect of the SAPTBG. This list must be submitted by PASSWORD PROTECTED EMAIL no later than the end of

business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.

- The LME must ensure that each provider brings sufficient documentation to adequately respond to the questions on the SAPTBG Treatment Program tool.
- **SAPTBG Treatment Program for IV drug users:** Monitoring for all LMEs will occur for fiscal year 2006-2007.
 - The LME must submit a list of all providers who received funds to implement this Treatment aspect of the SAPTBG. This list must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.
 - The LME must ensure that each provider brings sufficient documentation to adequately respond to the questions on the SAPTBG Treatment Program tool.
- **SAPTBG Individual review:** Monitoring for all LMEs will occur for fiscal year 2006-2007. Ten (10) records of individuals served in fiscal year 2006-2007 will be reviewed. **No list is needed from the LME. The list of records required for this review will be included in a letter from the Accountability Team sent approximately 1 week prior to the LME review date.**
- **WOMENS' SET ASIDE FUNDS (WSAF):** Monitoring for all LMEs will occur for fiscal year 2006-2007.
 - LMEs must submit a list of all women who were pregnant at admission and/or who had custody or were seeking custody of dependent children and received SA services from July 1, 2006 – June 30, 2007, from providers who received Federal funds through the LME or Federal funds via a grant for Treatment Alternatives for Women.
 - The list needs to include:
 - Each woman's name
 - Special designation (pregnant/dependent children/seeking custody of dependent children)
 - Name of service provider.
 - This list must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.
 - The audit team will randomly choose 15 records to review and send that information back to the LME at least 1 week prior to the review date.
- **WORK FIRST Program:** Monitoring for all LMEs will occur for fiscal year 2006-2007.
 - The LME must submit a list of all providers of the Work First Program. This list must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.
 - The LME must ensure that all providers of SA Work First services bring sufficient documentation to respond to the questions on the Work First Program tool.
- **WORK FIRST Individual:** Monitoring for all LMEs will occur for fiscal year 2006-2007.
 - The LME must provide a list of all participants of Work First, representative of each participating county in their catchment area, from

July 1, 2006 – June 30, 2007. The list must include the name of the participating county. This list must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.

- The audit team will randomly choose 15 records to review and send that information back to the LME at least 1 week prior to the review date.

Reconsideration Process for Federal SA Block Grant Monitoring:

- At the completion of the Block Grant monitoring, the team will leave copies of any items reviewed and found out of compliance. This is an informal notification of out-of-compliance findings. Please note that revisions to the on-site findings may be made following later review of documentation by a monitoring team Team Leader.
- Reports will be generated approximately 45 days following the end of the audit period, and will include any requirements for Plans of Correction.
- Written requests for reconsideration, along with supporting evidence must be submitted within 15 days following receipt of the monitoring report to Jim Jarrard, DMH/DD/SAS, Resource & Regulatory Management Section, Accountability Team, Mail Service Center 3012, Raleigh, NC 27699-3012.
- Individual requests for reconsideration will be routed to the appropriate DMH/DD/SAS Team for response.

SUMMARY OF REQUIRED ACTION

- **NOTE: No names of recipients of any Substance Abuse services will be used on the monitoring tools, in order to comply with federal confidentiality standards.**
- **A spreadsheet with a separate page for each program name and space for the required information is attached to this letter. Please use it to provide all the requested information.**
- Per the descriptions above, each LME is required to submit lists of information to the Accountability Team.
- All spreadsheets must be submitted by PASSWORD PROTECTED EMAIL no later than the end of business on Fri. August 24, 2007 to barbara.flood@ncmail.net. Please use the password that we provide.
- Information needs to be submitted for the following areas of review:
 - CASAWORKS Individual Review
 - MAJORS
 - Safe and Drug Free Schools
 - SAPTBG Prevention
 - SAPTBG Treatment for women who are pregnant and/or have dependent children
 - SAPTBG Treatment for IV drug users
 - Women's Set Aside Funds
 - Work First Individual review
 - Work First Program review

BLOCK GRANT GRID

2006/2007 Fiscal Year Monitoring

LME	SAPTBG Prevention & Treatment	CASAWORKS	Work First	MAJORS	Safe & Drug Free Schools
ACR	X		X	X	Alcohol and Drug Services
Albemarle	X		X	X	Unlimited Success/Partnership for a Drug Free NC
Beacon	X		X		
Catawba	X		X		
CenterPoint	X		X	X	
Crossroads	X	Robeson HealthCare	X	X	Unlimited Success/Partnership for a Drug Free NC
Cumberland	X		X	X	4-H Youth Development
Durham	X		X	X	
ECBH	X		X	X	
EastPointe	X		X	X	Alcohol and Drug Services
Five County	X	Robeson HealthCare Community Choices	X	X	
Foothills	X		X		
Guilford	X		X	X	
Johnston	X		X		
Mecklenburg	X		X		1. Subs. Abuse Prev. Services 2. Chemical Dependency Center
OC	X	Horizons	X	X	Unlimited Success/Partnership for a Drug Free NC
OPC	X		X	X	
Pathways	X	Community Choices	X		Unlimited Success/Partnership for a Drug Free NC Western Youth Network (old New River LME) Coastal Horizons Center
Piedmont	X	Robeson HealthCare	X	X	
Sandhills	X		X	X	
Smoky	X	East Coast Solutions	X		
SEC	X		X	X	
SER	X	Southlight	X	X	Robeson Healthcare Corp. Wake County 4-H Youth Development
Wake	X		X	X	
WH	X		X	X	ARP-Phoenix

If you have questions concerning the information in this memorandum, or anything else related to the upcoming 2007 audit/monitoring events, please contact:

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We look forward to a successful monitoring review.

CC: Secretary Carmen Hooker Odom
Allen Dobson, MD
Dan Stewarat
Executive Leadership Team
Management Leadership Team
State Facility Directors
Yvonne Copeland
Patrice Roesler
The Coalition
MH Commission Chair
SCFAC Chair
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